



IN REPLY REFER TO:

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Alaska Outer Continental Shelf Region
949 E. 36th Avenue, Room 903
Anchorage, Alaska 99508-4302

DEC 03 1996

Mr. Peter Hanley
BP Exploration (Alaska), Inc.
P.O. Box 196612
Anchorage, Alaska 99519-6612

Dear Mr. Hanley:

The Exploration Plan (EP) submitted by BP Exploration (Alaska), Inc. (BPXA) on November 4, 1996, is hereby approved subject to the conditions outlined below.

1. No drilling operations can commence until a revised Oil Spill Contingency Plan (OSCP) has been submitted and approved by this office. The revised plan must include more specific information on the response strategies, equipment (particularly heavy-construction related equipment) inventories and personnel (including heavy equipment operators) that would be used for a solid ice response effort. A modified response scenario and list which documents the location and availability of equipment/personnel, as were discussed and described during the meeting with the Alaska Department of Environmental Conservation and this office on November 22, should satisfy this requirement.

A more explicit description of the specific permit obligations/approvals and timeframes to obtain them which are necessary to construct a relief well pad must be submitted.

Enclosed is a copy of a National notice to lessee regarding oil spill reporting. The Minerals Management Service (MMS) no longer requires reporting of oil spills of less than one barrel to the MMS. These spills must be reported to the U.S. Coast Guard National Response Center. This should be reflected in the OSCP.

We have also enclosed comments from the Office of Environmental Policy and Compliance which identify a number of updates to personnel contacts and referenced guidelines that should be made to this document.

2. No drilling operations can commence without approval of an Application for Permit to Drill (APD). Before an APD can be approved, the EP must receive Coastal Zone Consistency Certification concurrence from the State of Alaska.

3. The 30 CFR 250.43 regulations require that an annual oil-spill-response exercise be held to demonstrate response capabilities for the seasonal environmental conditions, which will exist at the time of the year when operations will be conducted, and ensuring that personnel are

BPXA should be aware that the MMS may conduct NPDES permit compliance inspections during drilling operations at the Liberty location under an agreement with the Alaska Operations Office of the EPA (copy enclosed).

This office has approved, by separate action, your environmental training program, and island design and construction plan. All conditions placed on these approvals are hereby incorporated into this approval of your exploration plan.

In accordance with 30 CFR 250.67(c), this office has classified the Liberty Prospect as an area where the presence of H₂S is unknown. We have reviewed Appendix 3 of the EP for adequacy in meeting the requirements for an H₂S contingency plan. This office finds the information contained to adequately address H₂S and hereby approves the H₂S contingency plan for this operation.

We have also included a copy of the Environmental Assessment (EA) prepared by this office for the Liberty exploration activity. The EA includes copies of all comments received regarding this plan and can be referenced for the comments from the Office of Environmental Policy and Compliance discussed in Condition 1.

You have questions regarding any of the conditions in this letter, please contact Kyle Monkeliën at 271-6431.

Sincerely,

Jeffrey Walker

Jeffery Walker
Regional Supervisor
Field Operations

4 Enclosures

cc: Mr. Glen Gray w/o enclosures
Division of Governmental Coordination
P.O. Box 110030
Juneau, Alaska 99811-0030

Mr. Mike Lucky w/o enclosures
Alaska Department of Environmental Conservation
555 Cordova Street
Anchorage, Alaska 99501